



Item 8: Greens Bayou Unit 5 Reliability Must-Run Exit Strategy Discussion

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Senior Vice President and Chief Operating Officer

Board of Directors Meeting

ERCOT Public

August 9, 2016

Exit Strategy – What do the Protocols say?

- Protocol Section 3.14.1.4, *Exit Strategy from an RMR Agreement*.
 - No later than 90 days after the execution of an RMR Agreement, ERCOT shall report to the Board and post on the MIS Secure Area a list of feasible alternatives that may, at a future time, be more cost-effective than the continued renewal of the existing RMR Agreement. . .
- June 2, 2016 – ERCOT executed a Standard Form Reliability Must-Run (RMR) Agreement with NRG Texas Power LLC for Greens Bayou Unit 5.
- ERCOT has fulfilled its Protocol obligation with this presentation and discussion.

Ultimate Exit Strategy – Houston Import Project

- 2016 and 2017 summer peak analysis in the Houston area has shown reliability violations that require an RMR Agreement with Greens Bayou Unit 5 to support system reliability.
 - Thermal violations noted under several G-1 + N-1 conditions with and without Greens Bayou Unit 5
 - Addition of future planned Generation Resources do not resolve the thermal violations
 - None of the RMR alternatives specified in ERCOT Protocols Section 3.14.1 represent a viable option for summer 2016 and 2017
 - Operational mitigation plan would require load shed
- The Houston Import Project (projected in-service date of May 2018) resolves the reliability violations and is the ultimate exit strategy for the RMR Agreement involving Greens Bayou Unit 5.

Potential Alternatives to the RMR Agreement

- Consistent with ERCOT Protocol Section 3.14.1.5, ERCOT will attempt to identify cost effective alternatives to the RMR Agreement – in short, Must-Run Alternative (MRA) Resources.
- July 13, 2016 – ERCOT issued its Request for Proposal (RFP) for MRA to the June 2, 2016 RMR Agreement involving Greens Bayou Unit 5.
- Overall Procurement Timeline

Procurement Timeline	
RFP Release Date	Wednesday, July 13, 2016
Questions Due by QSEs	Thursday, July 21, 2016 (3:00 PM CPT)
Questions Answered by ERCOT	Thursday, July 28, 2016
ERCOT Notice of Amendments to RFP and Other Related Documents	Wednesday, August 10, 2016
QSE Proposals Due	Wednesday, August 24, 2016 (3:00PM CPT)
QSE Presentations (if requested by ERCOT)	Weeks of August 29, 2016 and September 5, 2016
ERCOT Notice of MRA Agreement Award(s)	Friday, September 30, 2016
ERCOT and QSE MRA Agreement Execution Date	Friday, October 7, 2016